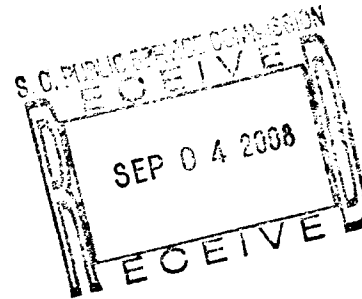


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2006-270 E



September 2, 2008

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

Dear Mr. Terreni:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending June 30, 2008:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$3.23
6. Debt Coverage Ratio or Earnings to Fixed Charges - 4.78 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559.

Sincerely,

A handwritten signature in cursive script, appearing to read 'M. Scott Foster'.

M. Scott Foster
Manager - PEC Regulatory & Property Accounting
Progress Energy Service Company
21450

c: John Flitter

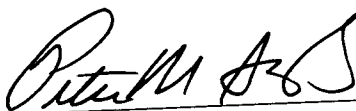
Enclosure

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Peter M. Scott III, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.


The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2008 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Peter M. Scott III
Executive Vice President and Chief Financial Officer
Progress Energy, Inc.

August 28, 2008
Date Signed

Subscribed and Sworn to before me this 28 day of August, 2008.



Notary Public

My Commission Expires:

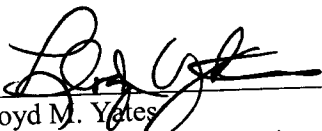
July 1, 2010

CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2008 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

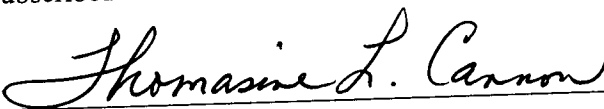


Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

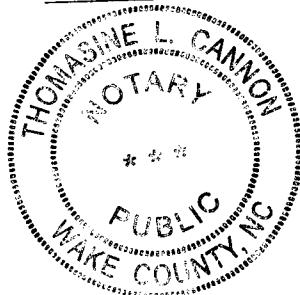
8/29/08

Date Signed

Subscribed and Sworn to before me this 29th day of August, 2008.



Notary Public
My Commission Expires: 9-18-2010



PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2008

DESCRIPTION ----- (1)	SYSTEM TOTAL - ELECTRIC OPERATIONS		
	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
	(2) \$	(3) \$	(4) \$
NET OPERATING REVENUE	4,455,789,767	(77,489,139)	4,378,300,628
OPERATING EXPENSE:			
NET O&M EXPENSES	2,671,392,147	(49,546,881)	2,621,845,266
DEPRECIATION	600,553,453	268,334,785	868,888,238
TAXES (OTHER THAN INCOME)	192,715,001	(3,371,351)	189,343,650
INCOME TAX - STATE	23,455,032	(11,925,442)	11,529,590
INCOME TAX - FEDERAL	249,598,768	(103,272,366)	146,326,402
PROV. FOR DEFERRED TAXES	38,200,189	(7,749,488)	30,450,701
INVESTMENT TAX CREDIT	(5,733,012)	-	(5,733,012)
TOTAL OPERATING EXPENSE	3,770,181,578	92,469,257	3,862,650,835
INCOME FOR RETURN:			
OPERATING INCOME	685,608,189	(169,958,396)	515,649,793
CUSTOMER GROWTH	5,259,428	(1,303,783)	3,955,645
INTEREST ON CUST. DEPOSITS	(4,302,049)	-	(4,302,049)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	686,565,568	(171,262,179)	515,303,389
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	15,294,193,310	140,173,891	15,434,367,201
PLANT HELD FOR FUTURE USE	2,411,123	-	2,411,123
RESERVE FOR DEPRECIATION	(8,171,310,312)	125,093,200	(8,046,217,112)
NET PLANT IN SERVICE	7,125,294,121	265,267,091	7,390,561,212
NUCLEAR FUEL INVENTORY	255,841,983	-	255,841,983
DEFERRED TAXES - LIB. DEPR.	(648,531,068)	67,741,620	(580,789,448)
REGULATORY ASSETS	89,546,689	(67,122,578)	22,424,111
WORKING CAPITAL:			
MATERIALS & SUPPLIES	830,032,477	(152,432,849)	677,599,628
CASH WORKING CAPITAL	473,302,868	-	473,302,868
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	666,516	-	666,516
TAX ACCRUALS	(131,263,629)	-	(131,263,629)
CUSTOMER DEPOSITS	(75,354,164)	-	(75,354,164)
OPERATING RESERVES	(474,353,804)	-	(474,353,804)
CUSTOMER ADVANCES FOR CONSTR.	(28,679,471)	-	(28,679,471)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	594,350,793	(152,432,849)	441,917,944
TOTAL RATE BASE	7,416,502,518	113,453,284	7,529,955,802
RATE OF RETURN (%)	9.26		6.84

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2008

DESCRIPTION	S.C. RETAIL TOTAL - ELECTRIC OPERATIONS		
	TOTAL	ADJUSTMENTS	TOTAL WITH
	PER BOOKS		ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	548,298,676	38,445,634	586,744,310
OPERATING EXPENSE:			
NET O&M EXPENSES	403,426,921	(10,287,227)	393,139,694
DEPRECIATION	63,024,898	38,389,974	101,414,872
TAXES (OTHER THAN INCOME)	13,949,675	222,341	14,172,016
INCOME TAX - STATE	4,360,086	1,571,035	5,931,121
INCOME TAX - FEDERAL	3,480,228	5,250,431	8,730,659
PROV. FOR DEFERRED TAXES	2,765,104	(10,719,711)	(7,954,607)
INVESTMENT TAX CREDIT	(818,521)	-	(818,521)
TOTAL OPERATING EXPENSE	490,188,391	24,426,843	514,615,234
INCOME FOR RETURN:			
OPERATING INCOME	58,110,285	14,018,791	72,129,076
CUSTOMER GROWTH	149,631	36,098	185,729
INTEREST ON CUST. DEPOSITS	(380,106)	-	(380,106)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	57,879,810	14,054,889	71,934,699
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,205,406,358	20,189,366	2,225,595,724
PLANT HELD FOR FUTURE USE	347,276	-	347,276
RESERVE FOR DEPRECIATION	(1,168,807,668)	17,679,729	(1,151,127,939)
NET PLANT IN SERVICE	1,036,945,966	37,869,095	1,074,815,061
NUCLEAR FUEL INVENTORY	36,905,065	-	36,905,065
DEFERRED TAXES - LIB. DEPR.	(102,687,989)	13,173,098	(89,514,891)
REGULATORY ASSETS	15,133,522	(9,667,723)	5,465,799
WORKING CAPITAL:			
MATERIALS & SUPPLIES	103,413,077	(3,947,765)	99,465,312
CASH WORKING CAPITAL	69,783,842	-	69,783,842
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	109,075	-	109,075
TAX ACCRUALS	(15,956,587)	-	(15,956,587)
CUSTOMER DEPOSITS	(12,269,325)	-	(12,269,325)
OPERATING RESERVES	(67,609,432)	-	(67,609,432)
CUSTOMER ADVANCES FOR CONSTR.	(3,818,631)	-	(3,818,631)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	73,652,019	(3,947,765)	69,704,254
TOTAL RATE BASE	1,059,948,583	37,426,704	1,097,375,287
RATE OF RETURN (%)	5.46		6.56

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED JUNE 30, 2008

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,486,314,156	45.85%	485,986,425	5.73%	27,847,022
PREFERRED STOCK	59,333,982	0.78%	8,267,599	5.73%	473,733
COMMON EQUITY	4,058,841,488	53.37%	565,694,559	5.23%	29,559,054
TOTAL CAPITALIZATION	7,604,489,626	100.00%	1,059,948,583		57,879,810

"ADJUSTED"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,441,908,789	46.18%	506,767,908	5.73%	29,037,801
PREFERRED STOCK	59,333,982	0.80%	8,779,002	5.73%	503,037
COMMON EQUITY	3,952,809,000	53.02%	581,828,377	7.29%	42,393,861
TOTAL CAPITALIZATION	7,454,051,771	100.00%	1,097,375,287		71,934,699